



STATE BOARD OF EQUALIZATION

March 3, 1967

Dear Mr. [X]:

Bill Denny has asked me to inform you in regard to the proposal set forth in "B"'s letter to you dated February 24, 1967. This relates to the matter recently discussed in Mr. Denny's office relative to bad debts.

The proposal, as expressed in "B"'s letter, satisfactorily meets the objections we had to the claiming of bad-debt deductions with respect to accounts which had been sold by the retailer without recourse. It appears under the proposal that the retailer will bear the bad-debt loss arising from his own sales and will then be in a position to claim such losses as bad-debt deductions to the extent permissible when there is no sale of accounts receivable.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:fb [lb]